

# Study finds geography influences government grading of medicare advantage plans

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Geographic location is an important predictor of the quality grades assigned to Medicare Advantage insurance plans, and the federal government should consider accounting for geographic differences to allow for fairer comparisons among plans, Boston University School of Public Health researchers say in a new study.

The study in the journal *PLOS ONE* found that lower "star ratings" were assigned to [plans](#) in the Southeastern region of the U.S., and that many states' ratings would rise or fall if these governmental measures adjusted for [geographic differences](#) nationally.

The rating system was instituted by the federal Centers for Medicare and Medicaid Services (CMS) as a way to make sure Medicare beneficiaries in different plans were getting high-quality care. CMS has tied financial incentives to the ratings; plans that earn at least four (out of five) stars receive a boost in reimbursement, have the option to expand as a business, and are eligible for bonuses. Indicators used in the ratings include health outcomes, access to care, patient ratings of satisfaction and other measures of quality - but not location of the plan.

"These findings suggest that the effect of geography on the plans' ratings is not trivial, and should be considered in future comparison of plans," says the study, led by Lewis Kazis, professor of health policy and management at BUSPH. Because different regions of the country have

different community health characteristics and access to hospitals and providers, accounting for geography would help to "level the playing field" when comparing plans, the authors say.

Kazis and colleagues analyzed 409 Medicare Advantage contracts nationally, covering about 10.6 million beneficiaries, or about 86 percent of the total Medicare Advantage population. They found that geography alone explained 59.5 percent of the variation in the plan's ratings, while demographic differences (age, race, education, poverty level and median household income) explained 31.2 percent of the variation.

When the rating system was adjusted for geography, 20 percent of states rose in the rankings, while 24 percent fell. For example, Michigan, which was ranked 26th in the country, rose to the 4th highest rank. The opposite occurred with Hawaii, which fell from 4th to 26th place after the adjustment.

"The Affordable Care Act focuses on changing the system to increase access to health services, improve quality of care and decrease costs," said Kazis. "Our results suggest a rationale for a geographical focus that reflects factors that are largely local, rooted in the environmental, social, economic and behavioral determinants of health."

Provided by Boston University Medical Center

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